SENATE THIRD READING
SB 493 (Becker)
As Amended August 13, 2026
Majority vote

SUMMARY

Includes "war," as defined, to the covered disasters in the price gouging statute.

Major Provisions

1) Includes "war" in the statutory definition of "state of emergency."

2) States that the prohibitions and associated penalties, pursuant only to a proclamation of a state of emergency for war by the President of the United States or Governor of California, shall only apply for the essential consumer goods or services, for up to 30 days with a 30-day extension if necessary, for which the Attorney General issues a written opinion, as specified, finding a sufficient nexus between the war at issue and increases in the prices of those goods or services.

3) Defines "war" as any of the following:

    a) A time during which Congress has declared war and peace has not been formally restored.

    b) A time during which the United States is engaged in active military operations against any foreign state, whether or not war has been formally declared.

    c) A time during which the United States is assisting the United Nations, in actions involving the use of armed force, to maintain or restore international peace and security.

COMMENTS

According to the Author
According to the author, "Californians deserve protection from price gouging," said Senator Becker. "Global conflicts have immediate consequences for California consumers, especially at the gas pump. The Wartime Price Gouging Prevention Act ensures that we have the tools necessary to intervene in an emergency to protect families from opportunistic price increases when international events disrupt markets."

Arguments in Support

According to *The Climate Center*, "Under SB 493, a war emergency would include circumstances in which Congress has declared war, the United States is engaged in sustained active military operations against a foreign power, or the United States is participating in United Nations-authorized military actions. This will provide the State with additional tools to protect Californians, should the conflict in Iran or any future conflict unlawfully raise the prices of goods and services.

"This expansion is critical to deter bad actors from taking advantage of military conflict to exploit consumers for excessive profits. Earlier this year, for example, the U.S. launched massive military strikes against Iran. That action escalated into sustained military operations and led to a blockade of the Strait of Hormuz, resulting in the largest supply disruption in the history of the global oil market. On the day that the conflict in Iran began, the average price of gas in California was $4.64 per gallon. Since then, the average retail price has increased to $5.99 per gallon–an increase of $1.35 per gallon. Californians alone have already paid over $200 per household, almost $3 billion total, more for gas than they would have absent the conflict.

"Part of the price increase is due to oil and gas being priced on global markets. However, there is also a growing, unexplained price difference between branded and unbranded gasoline in California that does not exist elsewhere in the country. In California, the difference between branded and unbranded gasoline is $0.31/gal. In the rest of the country, it is $0.06/gal. At the same time that they have been profiteering oil majors have run multi-million dollar advertising campaign to try to convince the public of the falsehood that California climate programs are the main reason that gas prices are increasing. These companies have consistently put private gain above the public interest and consumers need to be protected.

"California has some of the strongest price-gouging laws in the country, but they only take effect once an emergency declaration has been issued. As has been demonstrated, war can have a devastating impact on the livelihood of Californians."

Arguments in Opposition

According to the *Supply Chain Federation (SCF)*, "While the bill is framed as a consumer protection measure, its practical effect is to impose rigid government price controls on the supply chain at precisely the moment when markets face their greatest strain, limiting the flexibility that businesses need to absorb real cost increases and keep goods and services moving.

"SCF represents a diverse coalition of stakeholders involved in California's goods movement sector, including maritime carriers, ports, logistics providers, clean energy innovators, and infrastructure developers. We support efforts that advance cleaner freight solutions while ensuring that California remains a global leader in trade, transportation, and environmental stewardship.

"We recognize the serious affordability challenges facing California families. Rising costs for housing, food and essential goods have placed real strain on households across the state and we share the Legislature's concern about protecting consumers during times of crisis. SCF and its members are committed to an efficient, resilient supply chain that keeps goods moving and costs reasonable for Californians. That shared commitment compels us to raise several concerns about SB 493.

"Definition of 'War' is Broad and Potentially Perpetual

"SB 493 would add 'war' to the list of emergencies triggering the state's price gouging statute (Penal Code Section 396). The bill defines "war" to include any period during which the United States is "engaged in active military operations against any foreign power, whether or not war has been formally declared," or is assisting the United Nations in actions involving armed force. Given the persistent nature of U.S. military engagements around the world, this definition could effectively make the emergency price controls a near-permanent mixture rather than a targeted, time-limited protection.

"*Cap Does Not Reflect Real Supply Chain Cost Dynamics*

"The bill caps price increases at ten percent above pre-emergency levels. During armed conflict or global military operations, supply chain costs can surge dramatically due to fuel price spikes, rerouting around conflict zones, elevated cargo insurance premiums, port congestion, tariff disruptions and labor shortages. These are legitimate, externally driven cost increases that have nothing to do with opportunistic price gouging; the existing cost pass-through defense is narrow and difficult to prove, and it would place SCF members in legal jeopardy for pricing that simply reflects market realities.

"Specifically Covers Transportation and Freight

"SB 493 explicitly covers "transportation, freight, and storage services," SCF's core membership sectors. Unlike certain consumer goods markets where wartime price gouging might occur, the freight and logistics industry operates in a competitive marketplace with tight margins and significant variable cost exposure. A price cap regime calibrated for retail goods does not fairly translate to commercial logistics.

"California's supply chain workforce and infrastructure are vital to the state's economy and to the daily lives of its residents. We are committed to being part of the solution on affordability, and we ask that the Legislature ensure that solutions do not inadvertently undermine the industry's ability to serve Californians effectively."

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

1) Costs of up to $1.5 million (Unfair Competition Law Fund and General Fund) to the Department of Justice (DOJ), reflecting five positions beginning January 1, 2027. Within the Public Rights Division, the Consumer Protection Section would add one deputy attorney general, one legal secretary, and one special investigator to investigate and prosecute civil and criminal violations arising under the bill (Unfair Competition Law Fund). Within the Directorate Division, the Opinions Unit would add one permanent deputy attorney general to prepare the written nexus opinions the bill requires, along with one permanent external consultant to gather information on United States military activities, analyze the associated economic and supply chain effects, and assess pricing impacts across consumer goods and services (General Fund). DOJ reports the department could not absorb these costs within existing budgeted resources. DOJ's estimate assumes standing, year-round capacity for a workload the bill triggers only upon a proclamation or declaration of a state of emergency premised on war, and then only as to the goods and services for which the Attorney General finds a nexus.

2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown amount to the courts to adjudicate any additional filings. A violation of the price gouging statute is a misdemeanor and also constitutes an unlawful business practice actionable under the Unfair Competition Law, so war-triggered periods could generate both criminal prosecutions and civil enforcement actions. Actual costs will depend on the number of cases filed and the amount of

court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately $117.3 million in 2025-26.

VOTES

SENATE FLOOR: 38-0-2
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Limón, Reyes

ASM AGRICULTURE: 8-0-0
YES: Soria, Alanis, Aguiar-Curry, Connolly, Jeff Gonzalez, Hadwick, Irwin, Ransom

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Jeff Gonzalez, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 75-1-3
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio
ABS, ABST OR NV: Alvarez, Berman, Valencia

ASM PUBLIC SAFETY: 5-2-2
YES: Schultz, Mark González, Haney, Harabedian, Ramos
NO: Alanis, Lackey
ABS, ABST OR NV: Nguyen, Sharp-Collins

ASM APPROPRIATIONS: 11-4-0
YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Ta, Tangipa

UPDATED

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